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THE

# Livestock and Wool

SITUATION

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UNITED STATES DEPARTMENT OF AGRICULTURE

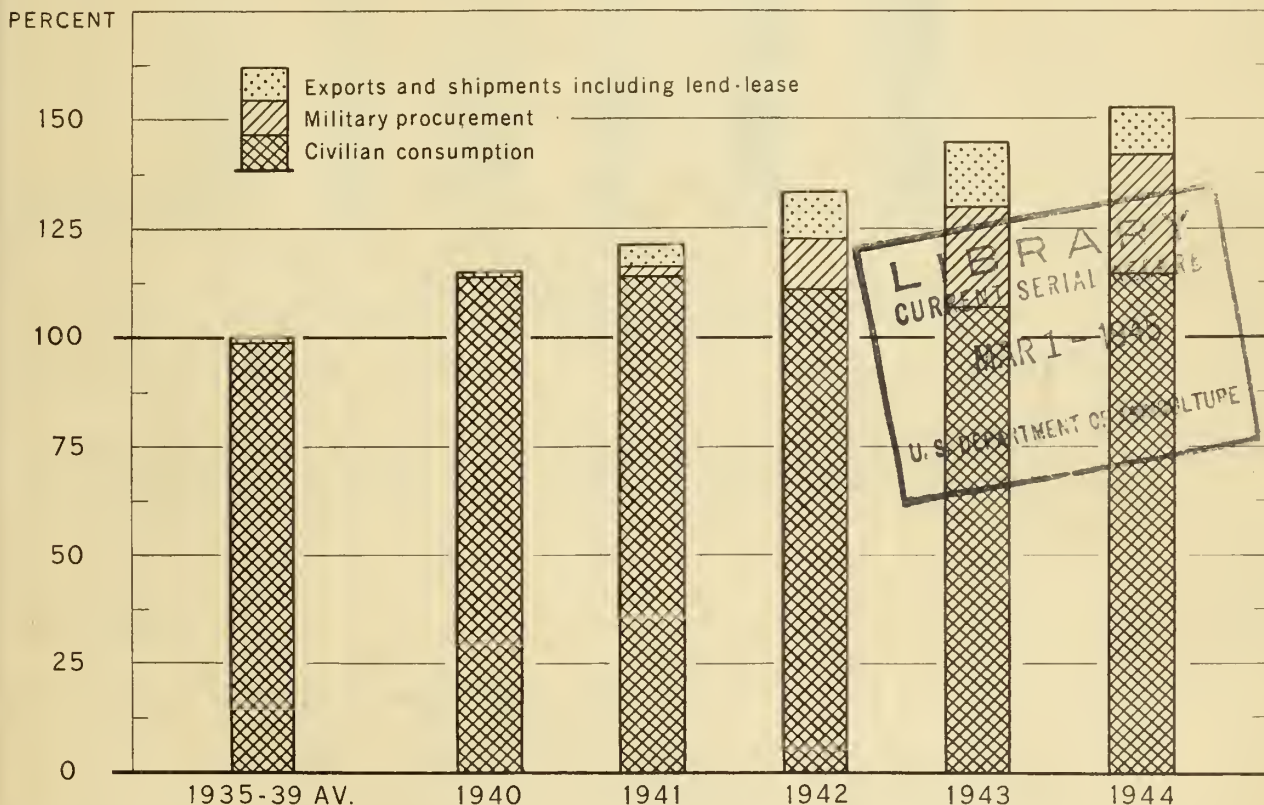
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BAE

JANUARY 1945

## DISTRIBUTION OF UNITED STATES MEAT SUPPLIES, 1935-39 AVERAGE, AND 1940-44

INDEX NUMBERS (1935-39=100)



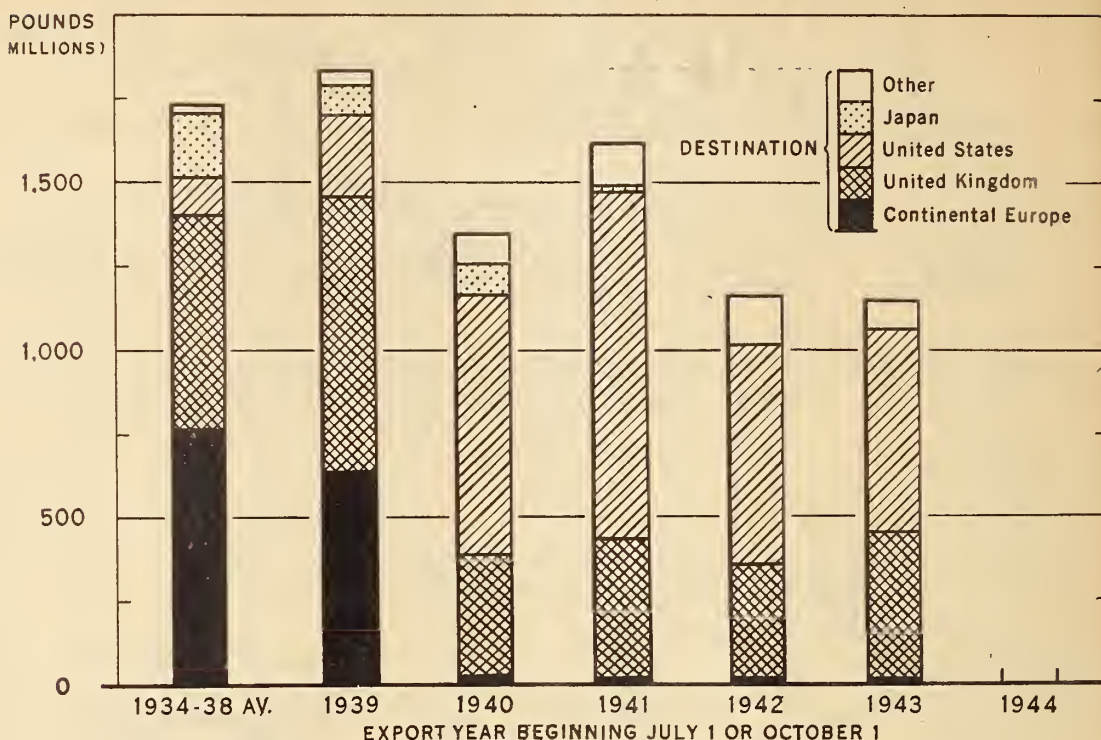
U. S. DEPARTMENT OF AGRICULTURE

NEG. 45087 BUREAU OF AGRICULTURAL ECONOMICS

Total meat production in 1944, tentatively estimated at 24.7 billion pounds on a dressed meat basis, exceeded the record output of 1943 by about 500 million pounds. Meat purchases by the armed services plus lend-lease shipments were equivalent to  $\frac{1}{4}$  of the total meat output in 1944. Nevertheless, civilian consumption apparently averaged around 147 pounds per capita, the highest in 20 years.

Total meat production in 1945 may be about 10 percent lower than in 1944. Non-civilian requirements throughout the year will continue large. Military procurement may be larger than in 1944, but lend-lease shipments probably will be smaller. Civilian consumption may be at a per capita rate of 128 to 133 pounds, only a few pounds higher than the average for 1935-39 of 126 pounds.

## WOOL: EXPORTS FROM FIVE SOUTHERN HEMISPHERE EXPORTING COUNTRIES, BY DESTINATION, 1934-38 AVERAGE, AND 1939-43\*

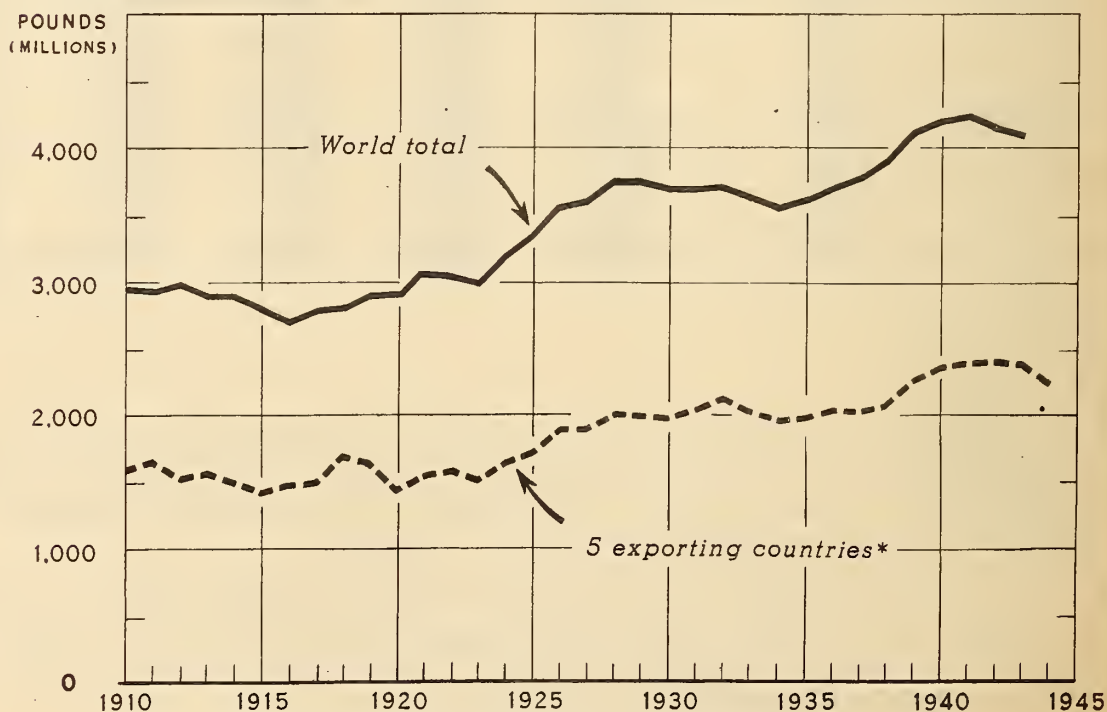


DATA FROM THE OFFICE OF FOREIGN AGRICULTURAL RELATIONS  
\*AUSTRALIA, NEW ZEALAND, SOUTH AFRICA, ARGENTINA, AND URUGUAY, WHICH NORMALLY SUPPLY ABOUT 85 PERCENT OF THE WOOL ENTERING INTERNATIONAL TRADE

U. S. DEPARTMENT OF AGRICULTURE

NEG. 45075 BUREAU OF AGRICULTURAL ECONOMICS

## WOOL, GREASE BASIS: WORLD PRODUCTION AND PRODUCTION IN FIVE SOUTHERN HEMISPHERE EXPORTING COUNTRIES, 1910-44



DATA FROM THE OFFICE OF FOREIGN AGRICULTURAL RELATIONS  
\*AUSTRALIA, NEW ZEALAND, SOUTH AFRICA, ARGENTINA, AND URUGUAY

U. S. DEPARTMENT OF AGRICULTURE

NEG. 45076

BUREAU OF AGRICULTURAL ECONOMICS

Southern Hemisphere countries normally find an outlet in Continental Europe and Japan for more than half of their exportable surplus of wool. With these markets cut off during the war years, wool exports have dropped sharply, and stocks have accumulated even though much larger than usual quantities have been shipped to the United States for commercial use and for storage.

FIGURE 1.

FIGURE 2.

World wool production in 1944 apparently was about 6 percent smaller than 1941 record production of 4.2 billion pounds. Serious drought in Australia and growers' apprehension of a relatively low level of wool prices in the post-war period may result in a further production decline in 1945. But government wool price-supporting measures in some of the important wool-producing countries and the British meat purchase agreements with Australia and New Zealand running through 1948 will be supporting factors in world wool production during the next few years.



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## SUMMARY

The total output of all meats in 1945 may be 2 to 2-1/2 billion pounds smaller than the record output of 1944, which is tentatively estimated at 24.7 billion pounds on a dressed meat basis. Record slaughter of both cattle and calves in 1944 resulted in an all-time high production of beef and veal -- estimated at 10.8 billion pounds, dressed weight -- 10 percent larger than the large output in 1943 and about 35 percent larger than the average for 1935-39. Hog slaughter in 1944 apparently totaled about 97 million head, about 2 million head larger than in 1943. However, slaughter weights were lower and the yield of pork per hog was smaller than in 1943. Fork output in 1944 is tentatively estimated at 12.9 billion pounds, almost 500 million pounds less than in 1943. Slaughter of sheep and lambs was about 10 percent lower than the record kill of 27 million head in 1943.

Reflecting a 29 percent reduction in the total pig crop of 1944 from a year earlier and a smaller 1945 spring pig crop as indicated by breeders' intentions reported in December, hog slaughter may be 20 to 25 percent less in 1945 than a year earlier. Calf slaughter, which was an all-time high in 1944, may be about as large in 1945. Cattle slaughter in 1945 may set a new record.

The number of cattle on feed for market at the beginning of this year was 5 percent larger than a year earlier and was only 6 percent lower than the record number on feed on that date in 1943. The number on feed in the North Central States was 6 percent larger than a year earlier. The estimated number on feed was as large as or larger than a year earlier in all but two of these States, with the largest relative increase in the States west of the Missouri River. Increased feeding in Oklahoma and Texas more than offset a small decrease in the number on feed in the 11 Western States and Pennsylvania. On January 1 a relatively small proportion of the cattle on feed in the Corn Belt had been on feed over 3 months. This indicates that the supply of top Good and Choice fed cattle during the next few months will be small.

The number of sheep and lambs on feed January 1, 1945 was estimated to be slightly larger than a year earlier. In the Corn Belt, the number was about 4 percent larger and, except for the number on January 1, 1943, was the largest on record. The number on feed in States outside the Corn Belt was 2 percent lower than a year earlier. Sheep and lamb slaughter may be about the same in the first 4 months of 1945 as in this period of 1944. However, total sheep and lamb slaughter for the year may be about 10 to 15 percent smaller than in 1944.

The Office of Economic Stabilization directed War Food Administration, Defense Supplies Corporation, and the Office of Price Administration to make major changes in the cattle price and subsidy payment provisions of the cattle stabilization plan, effective January 29, 1945. This action required these agencies to set a specific ceiling on prices for live cattle, and calves, to change the rates of slaughter subsidy payments for certain grades of cattle, to change the stabilization price maximums for Choice and Good grade cattle to adjust minimum prices for some grades in certain areas, and gave OFA the authority to limit the percentage of Good and Choice cattle which any

slaughterer may slaughter over a monthly period. The OES directive revising the cattle price plan also directed that a regulation be issued making it an OPA violation to pay more than the maximum stabilization range cost for cattle slaughtered in a monthly period.

During the first 6 months of 1945, prices for all classes of meat animals may be near the maximum permitted by ceilings on meat at wholesale and on live animals. Under the revised price regulations, cattle prices may average about the same during the first half of 1945 as in the first half of 1944. During the first half of 1944 cattle costs averaged within the limits of the stabilization range. The top price for cattle during the first half of 1944 at Chicago was below the maximum of \$18.00 now established for the first half of 1945.

The world carry-over of wool at the beginning of the 1944-45 season (about July 1) was about equal to a full normal year's supply (production plus carry-over) and was much larger than in any previous year. With world consumption prospects as now indicated, a further increase in world stocks is in prospect for the current season. An increase in world consumption of sufficient magnitude to check the accumulation of world wool stocks is largely contingent upon the restoration of the wool textile industry in continental European countries, which accounted for approximately 40 percent of the world's wool consumption in the pre-war years 1934-38. World wool production, which has been maintained at a record high level during the war years, appears to have turned downward, but production remains well above the 1934-38 average of 3.7 billion pounds. The continuation of drought in Australia, where about one-fourth of the world's wool is produced, and growers' apprehension of a relatively low level of wool prices in the post-war period may result in a further production decline in 1945. Production will be supported to some extent in the next few years, however, by Government purchase and loan programs in most of the important wool-producing countries.



## OUTLOOK

Hog Prices to Continue Near Ceilings;  
Cattle and Lamb Prices at  
1944 Levels

Throughout the first half of this year, prices for all meat animals probably will be near the maximum levels permitted by wholesale meat ceilings and ceilings on live animals. Civilian meat supplies in the first half of 1945 may be about 15 percent smaller than a year earlier and 10 to 15 percent lower than during the last half of 1944. Total meat production will be much lower than a year earlier. A sharp cut in pork output and a moderate reduction in lamb and mutton production will not be offset by prospective increases in beef and veal output. Military requirements will continue large and procurement for lend-lease probably will be relatively large in the first quarter of the year.

Prices for hogs may continue near the ceiling level throughout the first three quarters of the year. During the first 7 months of 1944 prices generally were only at the support level.

Prices for cattle and for lambs may average about the same during the first half of 1945 as a year earlier.

Meat Output Over 24-1/2 Billion Pounds  
in 1944; To Be Smaller in 1945

Meat production in 1944 apparently totaled 24.7 billion pounds dressed-meat basis, over 400 million pounds greater than in 1943, and 8.5 billion pounds greater than the average for 1935-39. Record production in 1944 was a result of record slaughter of cattle, calves and hogs, but sheep and lamb slaughter was lower than the record slaughter of 1943.

A sharp reduction in pork production and moderate reductions in lamb, mutton, and veal production may result in a total meat output of around 22 billion pounds in 1945. However, this would be larger than in any year except 1943 and 1944, and would be almost 6 billion pounds greater than average production in 1935-39.

Meat requirements of the armed forces will continue large as will lend-lease shipments throughout the first half of the year at least. Civilian meat supplies in 1945 will be noticeably lower than in 1944. Civilian meat consumption per capita apparently was near 147 pounds in 1944 (dressed-meat basis). This compares with an average consumption of 137 pounds in 1943 and 126 pounds, the average for 1935-39. Per capita meat consumption by civilians in 1945 may be 128 to 133 pounds. Supplies of beef for civilians may be about the same as in 1944. But pork supplies will be much lower than in 1944 when per capita consumption was the highest in 35 years. Lamb and mutton supplies probably will be moderately smaller, and supplies of veal may be smaller than the record supplies of 1944.

Prices of practically all meats are likely to remain at ceilings throughout 1945.



Hog Slaughter Sharply Lower in 1945

Total hog slaughter in 1945 may be 20-25 percent lower than in 1944. Most of the decrease in slaughter will occur in the first 9 months of the year, reflecting a 29 percent decrease in the annual pig crop of 1944 from that of 1943. However, on the basis of farmers' intentions to breed sows for spring farrowing in 1945 (reported in December), the spring pig crop is indicated to be smaller than the 55 million head saved in the spring of 1944. Thus slaughter in the last quarter of 1945 may also be less than in the last quarter of 1944.

However, pork production probably will not be reduced as much as the cut in the number of head slaughtered. Hog slaughter weights will average higher in 1945 mainly because of larger supplies of corn per hog than a year earlier and a more favorable hog-feed price relationship in prospect at least for the first half of the year.

Hog slaughter of 69,016,982 head under Federal inspection in 1944 was 8 percent larger than in 1943 and 22 percent larger than in 1942, in comparable plants. Total hog slaughter in 1944 is tentatively estimated at 97 million head, 2 million head larger than in 1943.

Cattle Slaughter in 1945 to be at  
a High Level

Slaughter of cattle and calves combined in 1945 may be about equal to that of 1944 which established an all-time high combined total. Total slaughter in 1944 apparently was close to 34 million head.

Cattle slaughter in federally inspected plants for 1944 amounted to 13,960,337 head. This was an increase of 2,233,196 over 1943. In comparable plants, 1944 slaughter was 13 percent above that of 1943. The number of calves slaughtered in 1944 exceeded all previous records.

Calf slaughter under Federal inspection totaled 7,769,559 head in 1944, 45 percent more than in 1943 (in comparable plants). Total calf slaughter for the year is tentatively estimated at 14 million head compared with a total slaughter in 1943 of 9.9 million. The extremely high level of calf slaughter in 1944 resulted from a record large calf crop; a weak demand for beef-type calves for feeding; high returns from dairy products (including production payments) in relation to prices of milk cows; and high prices for veal relative to prices for beef under ceiling price regulations. The large slaughter of calves in 1944 indicates that dairymen are not increasing numbers of young stock at such a rapid rate as in the last few years, and that beef producers are tending to stabilize or to reduce the size of herds. Most of these conditions are likely to persist in 1945.

Cattle slaughter may set a new record in 1945. Calf slaughter in 1945 may be about the same as the record 1944 total. The principal indication of an increase in cattle slaughter in 1945 is the passing of the peak in numbers of beef cattle on farms and ranches reached January 1 a year ago. Numbers of beef cows were reduced during 1944 and following the usual swing in the cattle-

numbers cycle, a further decrease in numbers of breeding stock is in prospect. This would indicate a continued large slaughter of cows and heifers in 1945. Moreover, steer numbers apparently increased during 1944, and more steers will be available for slaughter in 1945 than in 1944. The number of cattle on feed on January 1, 1945 was about 5 percent larger than a year earlier.

Increased beef output in 1945 may more than offset decreased veal production, so that total output of beef and veal may be slightly larger than the 10.8 billion pounds produced in 1944. Beef production in 1944 was about 7 percent greater than in 1943; veal production was about 50 percent greater. The average weight of cattle slaughtered in 1944 was the lowest for many years, reflecting a high percentage of cows and heifers in the total slaughter and a low average weight of feed-lot cattle. On the other hand, the average slaughter weight of calves was the largest for many years, reflecting a high percentage of beef-type calves in total slaughter. Cattle and calf weights in 1945 may be somewhat similar to those of 1944.

Sheep and Lamb Slaughter to be  
Reduced in 1945

Slaughter of sheep and lambs under Federal inspection in 1944 totaled 21,875,569 head. In comparable plants this was a reduction of 8 percent from 1943 and 4 percent from 1942. Total slaughter for 1944 is tentatively estimated at 24.5 million head, about 10 percent less than the all-time high slaughter of 27 million in 1943. While slaughter of ewes was relatively large in 1944, total ewe slaughter was materially smaller than the record slaughter of a year earlier. Lamb slaughter was moderately smaller than in 1943, reflecting a 5-1/2 percent reduction in the 1944 lamb crop and fewer old-crop lambs marketed in 1944 than a year earlier. The number of sheep and lambs on farms and ranches was reduced during 1944, and the lamb crop probably will be smaller in 1945 than in 1944. Total sheep and lamb slaughter in 1945 may be about 21-1/2 million head, 10 to 15 percent smaller than in 1944.

The number of sheep and lambs on feed on January 1, 1945 was about 1-1/2 percent larger than a year earlier. This probably will result in slaughter for the first 4 months of the year about the same as a year earlier. Slaughter during the remaining months is largely dependent upon the size of the 1945 lamb crop. With the reduction that has taken place in numbers of breeding ewes during 1944, and an average number of lambs save per 100 ewes, the lamb crop would be 5 to 10 percent smaller than in 1944. Ewe slaughter in 1945 probably will be below that of a year earlier as breeding sheep have been culled heavily in the past 2 years.



Table 1.- Estimated meat and lard production, average 1935-39, annual 1941-44, and forecast 1945

Item	Average 1935-39	1941	1942	1943 1/	1944 2/	1945 (forecast)
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat production (dressed meat basis)						
Beef:						
Inspected .....	3/4,847	5,739	6,347	5,970	6,655	
Noninspected .....	1,858	2,126	2,249	2,336		
Farm .....	231	227	235	230		
Total .....	6,936	8,092	8,831	8,536	9,100	9,400
Veal:						
Inspected .....	4/ 615	599	667	597	926	
Noninspected .....	335	354	399	475		
Farm .....	88	76	73	70		
Total .....	1,038	1,029	1,139	1,142	1,700	1,600
Pork, excluding lard:						
Inspected .....	4,584	6,345	7,562	9,308	9,456	
Noninspected .....	1,037	1,473	1,571	2,282		
Farm .....	1,716	1,629	1,590	1,781		
Total .....	7,337	9,447	10,723	13,371	12,900	10,500
Lamb and mutton:						
Inspected .....	696	750	880	958	887	
Noninspected .....	148	150	140	124		
Farm .....	27	25	25	25		
Total .....	871	925	1,045	1,107	985	875
Total meat, excluding lard:						
Inspected .....	10,742	13,433	15,456	16,833	17,924	
Noninspected .....	3,378	4,103	4,359	5,217		
Farm .....	2,062	1,957	1,923	2,106		
Total .....	16,182	19,493	21,738	24,156	24,685	22,375
Lard production						
Lard and rendered pork fat:						
Inspected .....	944	1,526	1,724	2,080	2,367	
Noninspected .....	219	312	312	496		
Farm .....	467	443	433	485		
Total .....	1,630	2,281	2,469	3,061	3,250	2,400

1/ Preliminary.

2/ Federally inspected reported; total production tentative estimate.

3/ Includes an estimated 57 million pounds of beef produced under the emergency Government relief purchase program in 1935.

4/ Includes an estimated 5 million pounds of veal produced under the emergency Government relief purchase program in 1935.



Table 2.- Estimated livestock slaughter, average 1935-39 annual 1941-44, and forecast 1945

Item	Average : 1935-39 :	1941 :	1942 :	1943 : 1/ :	1944 : 2/ :	1945 : (forecast)
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
Cattle:						
Inspected .....	3/ 10,024	10,946	12,347	11,727	13,960	
Noninspected ...	4,455	4,916	5,047	4/ 5,416		
Farm .....	591	571	587	572		
Total .....	15,070	16,433	17,981	17,715	19,800	20,500
Calves:						
Inspected .....	5/ 5,765	5,461	5,760	5,209	7,770	
Noninspected ...	3,117	3,107	3,317	4/ 4,111		
Farm .....	804	684	625	594		
Total .....	9,686	9,252	9,702	9,914	14,000	14,000
Hogs:						
Inspected .....	34,262	46,520	53,897	63,431	69,017	
Noninspected ...	8,871	12,088	12,117	4/ 17,779		
Farm .....	13,656	12,789	12,463	14,063		
Total .....	56,789	71,397	78,477	95,273	97,000	77,000
Sheep and lambs:						
Inspected .....	17,486	18,125	21,625	23,363	21,876	
Noninspected ...	3,699	3,605	3,383	3,134		
Farm .....	624	582	578	576		
Total .....	21,809	22,312	25,586	27,073	24,500	21,500

1/ Preliminary.

2/ Federally inspected reported; total slaughter tentative estimate.

3/ Includes 187,000 cattle in 1935 and 4,000 in 1936 slaughtered for Government account.

4/ Probably includes an indeterminable number of animals slaughtered on farms for nonfarmers and slaughtered by or for nonfarmers for their own use.

5/ Includes 39,000 calves slaughtered for Government account in 1935.

#### Cattle on Feed Up 5 Percent From a Year Ago

The number of cattle on feed for market on January 1, 1945 was about 5 percent larger than a year earlier and was only about 6 percent below the record number on January 1, 1943. The estimated total number on feed in all important feeding States on January 1 this year was 4,173,000 head, compared with 3,967,000 head a year earlier, and 4,445,000 head the all-time record number on January 1, 1943.

In the North Central States, the number on feed January 1 this year was 6 percent larger than a year earlier, and was larger than for any other year except 1943. The estimated number on feed was equal to or above last year in all but two of these States (Ohio and Indiana) with the largest relative increase in the States west of the Missouri River.

The total number of cattle on feed in States outside the Corn Belt this year is estimated at 800,000 head -- an increase of 2 percent over a year earlier

Table 3.- Cattle and calves on feed by States, January 1,  
average 1932-41, and 1942-45 1/

State and region	Average 1932-41	1942	1943	1944	1945	1945 as a percent- age of 1944
	Thousands	Thousands	Thousands	Thousands	Thousands	Percent
Pennsylvania .....	72	70	80	75	70	93
Ohio .....	114	127	135	119	102	86
Indiana .....	125	175	184	171	156	91
Illinois .....	388	500	505	455	478	105
Michigan .....	80	85	95	90	94	105
Wisconsin .....	54	74	74	70	77	110
East North Central ...	761	961	993	905	907	100
Minnesota .....	231	307	295	251	251	100
Iowa .....	681	924	1,007	947	975	103
Missouri .....	225	290	310	279	293	105
North Dakota .....	39	70	50	62	84	135
South Dakota .....	81	137	160	120	150	125
Nebraska .....	271	300	400	340	391	115
Kansas .....	182	265	318	280	322	115
West North Central ...	1,710	2,293	2,540	2,279	2,466	108
North Central .....	2,471	3,254	3,533	3,184	3,373	106
Oklahoma .....	33	66	70	42	60	143
Texas .....	121	185	194	130	150	115
Montana .....	23	34	27	35	44	126
Idaho .....	32	57	37	45	45	100
Wyoming .....	14	18	16	14	16	114
Colorado .....	115	162	160	148	137	93
New Mexico .....	12	30	17	12	9	75
Arizona .....	53	64	60	48	42	88
Utah .....	27	43	30	35	33	94
Nevada .....	21	24	22	17	17	100
Washington .....	14	24	21	20	21	105
Oregon .....	17	26	24	28	27	96
California .....	111	128	154	134	129	96
Western .....	593	861	832	708	730	103
Total United States...	3,136	4,185	4,445	3,967	4,173	105

1/ Estimates include only cattle being fattened for market as a more or less distinct agricultural enterprise, and exclude small operations incidental to dairy and general farming. Cattle thus fed are presumed to produce carcasses that will grade Commercial or better.

In addition, there have been a number of cattle finished on distillery slop, mostly in Kentucky, and on byproduct feeds in other States not shown, as well as large numbers being winter fed in West Virginia, Virginia, Kentucky and some other States, to be marketed as grass fat in late summer.



In the Western States the number on feed was 3 percent larger than a year earlier, but was 15 percent below the record number on January 1, 1942. The number on feed was down in six of these States, including the two most important States, Colorado and California. A substantial increase in the number on feed in Oklahoma and Texas more than offset a small decrease in the 11 Western States and Pennsylvania.

Information from Corn Belt cattle feeders indicates that very few long-fed cattle were in feed lots on January 1. Reports indicate that only about 4 percent of the cattle on feed had been on feed over 5 months and only 24 percent over 3 months. The supply of top Good and Choice fed cattle during the next few months promises to be small.

Sheep and Lamb Feeding Slightly Larger  
Than a Year Ago

The estimated number of sheep and lambs on feed January 1, 1945 was about 1-1/2 percent larger than the number a year earlier. The estimated total this year was 6,630,000 head, compared with the revised estimate of 6,537,000 head in 1944 and the record number of 6,979,000 in 1943.

In the 11 Corn Belt States, an estimated 4,108,000 were on feed, 4 percent more than a year earlier. The number this year is down about 220,000 head from the record high on January 1, 1943, and except for that year was the largest on record. The number of sheep and lambs on feed in Kansas -- mostly in wheat pastures -- was almost 2-1/2 times the number on feed a year earlier and was materially above the average for 1938-42. In all of the other States except Wisconsin the number on feed was the same as or less than the number on feed on January 1, 1944.

The estimated number on feed in States outside the Corn Belt was 2,522,000 head, compared with 2,570,000 head a year earlier, a decrease of 2 percent. The number on feed in Oklahoma, Texas, and Arizona was materially larger than a year earlier. Feeding in North Dakota, Montana, Colorado, and Utah was moderately larger than a year earlier. In all of the other Western States and in New York the number on feed was lower than on January 1, 1944.



Table 4.- Estimated number of sheep and lambs on feed January 1,  
average 1938-42 and 1943-45

State and region	Average 1938-42	1943	1944	1945	1945 as a percent- age of 1944
	Thousands	Thousands	Thousands	Thousands	Percent
New York .....	46	49	44	36	82
Ohio .....	377	364	375	281	75
Indiana .....	198	169	170	136	80
Illinois .....	275	212	218	218	100
Michigan .....	266	220	175	175	100
Wisconsin .....	85	84	93	100	108
Minnesota .....	277	295	330	271	82
Iowa .....	522	580	696	626	90
Missouri .....	162	225	240	200	83
South Dakota .....	244	366	400	400	100
Nebraska .....	640	890	900	801	89
Kansas .....	398	924	370	900	243
Corn Belt .....	3,444	4,329	3,967	4,108	104
North Dakota .....	111	155	167	177	106
Oklahoma .....	81	65	40	60	150
Texas .....	211	290	140	175	125
Montana .....	286	370	400	428	107
Idaho .....	222	164	150	120	80
Wyoming .....	271	200	250	225	90
Colorado .....	1,039	860	825	840	102
New Mexico .....	116	147	137	58	42
Arizona .....	12	8	6	10	167
Utah .....	173	125	135	150	111
Nevada .....	17	21	20	16	80
Washington .....	43	50	42	40	95
Oregon .....	63	38	50	45	90
California .....	110	108	164	142	87
Western .....	2,755	2,601	2,526	2,486	98
UNITED STATES ....	6,245	6,979	6,537	6,630	101

Ceilings Set on Live Cattle; Cattle  
Stabilization Plan Revised

The Office of Economic Stabilization recently directed the Office of Price Administration, War Food Administration, and Defense Supplies Corporation to make major changes in the cattle price and subsidy payment provisions of the cattle stabilization plan, to be effective January 29, 1945. The cattle stabilization plan, inaugurated in late 1943, set specific price ranges from which maximum and minimum permissible costs for each slaughterer were to be calculated based upon the location of the slaughtering plant and upon the calculated live weight slaughter by grades. Maximum and minimum prices by grades were established for all markets and for all areas in the United States. While the primary aim of the plan was to control prices, compliance was effected by deducting from a slaughterer's subsidy payment

the amount by which a slaughterer's aggregate cost for all cattle fell outside the limits of the stabilization range over a monthly period. The payment of a subsidy to cattle slaughterers, originally instituted in June 1943, made it possible to reduce ceiling prices for meat at the wholesale level about 2 cents per pound and at the retail level of about 3 cents per pound on the average.

The purposes of the revisions in the cattle stabilization plan are to secure more effective control of live cattle prices and prevent an increase in the price of meat to consumers. The specific program changes are:

(1) OPA and WFA are directed to establish a price ceiling on live cattle and calves on the basis of \$18.00 per 100 pounds at Chicago until July 2, 1945, when the ceiling will be lowered to \$17.50. In each zone or market, this over riding ceiling is \$1.00 per 100 pounds over the revised maximum for the Choice grade.

(2) DSC is directed to increase the subsidy payments on Choice grade cattle from \$1.00 to \$2.00 and on Good grade from \$1.45 to \$1.95 per 100 pounds, live weight, over the entire country. However, on July 2, 1945 the subsidy payment on Choice cattle will be reduced to \$1.50.

(3) OPA and WFA are directed to increase the maximum price of the stabilization range for Choice by \$1.00 and Good grade cattle by \$.50 per 100 pounds, live weight, and to increase the minimum for the Choice grade by 50 cents, over the entire country. However, on July 2, 1945, the maximum and minimum of the stabilization range for Choice cattle will be reduced by 50 cents per 100 pounds, live weight.

(4) OPA and WFA are directed to issue a regulation making it an OPA violation for a slaughterer to pay more, on the average than the maximum permissible cost under the Cattle Stabilization Plan for the cattle slaughtered by him over a month's period. This does not include calves.

(5) WFA is directed to delegate authority to the Price Administrator to issue an order establishing the maximum percentage of Good and Choice cattle which any slaughterer may slaughter or deliver over a month's time.

(6) OPA and WFA are directed to revise the minimum prices on the commercial (or medium) and lower grades to make them uniformly \$1.50 per 100 pounds under the maximums in all zones.

(7) Under the regulation special provision will be made for limiting the cattle costs of small slaughterers who are not required to report their costs to the DSC and who obtain no subsidy payments.

The regulation to be issued under the directive will not establish live cattle ceilings by individual grades, except that no cattle or calves may be bought or sold at prices higher than \$18.00, Chicago basis, (\$17.50 after July 1, 1945). However, in order to stay in compliance a slaughterer must not pay more for cattle, during a monthly period, than the maximum of the stabilization range. The method of figuring a slaughterer's maximum and minimum permissible costs for a monthly period is illustrated below.



Table 5.- Method of calculating maximum and minimum permissible payments for cattle at Chicago under the price stabilization plan

	: Assumed :	Standard :	Live :	Stabilization price:	Permissible cost		
	: total :	dressed :	weight :	range for Chicago:	to packers		
Carcass grade	: dressed :	carcass :	equiv- :	:	:	:	:
	: weight of :	yield :	alent of :	Minimum:	Maximum :	Minimum :	Maximum
	: slaughter:	yields :	slaughter:	:	:	:	:
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<u>Pounds</u>	<u>Percent</u>	<u>Pounds</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Choice .....	1,100	61	1,803	15.50	17.00	279.46	306.51
Good .....	2,500	58	4,310	14.25	15.75	614.18	678.82
Commercial .....	1,500	56	2,679	11.50	13.00	308.08	348.27
Utility .....	1,300	54	2,407	9.50	11.00	228.66	264.77
Canner and Cutter:	1,000	46	2,174	6.75	8.25	146.74	179.36
Bulls, Canner and:							
Cutter grade ...	<u>1,000</u>	<u>53</u>	<u>1,887</u>	<u>8.00</u>	<u>9.50</u>	<u>150.96</u>	<u>179.26</u>
Total .....			15,260			1,728.08	1,956.99

Slaughterers are required to report to the Defense Supplies Corporation the aggregate amount paid for live cattle, including transportation, during an accounting period. They also are required to report their total tonnage of beef carcasses slaughtered during this period by grades (column 2). The live weight equivalent of slaughter, by grades, (column 4) is calculated from standard dressed carcass yields (column 3) and the dressed weight of slaughter. The calculated live weight for each grade of cattle is multiplied by the minimum price for the grade applicable to a slaughterer's location (column 5) to determine the minimum permissible cost of animals slaughtered (column 7). A similar calculation is made from columns 4 and 6 to arrive at a slaughterer's maximum permissible cost (column 8).

Under the new regulations, if the slaughterer illustrated in table 1 paid more than \$1,956.99 for all cattle slaughtered during a monthly period, he would be in violation of an OPA regulation. Heretofore, deductions would be made from his subsidy payment equal to the amount paid in excess of the maximum cost. The aggregate amount paid out by a slaughterer for cattle could be so high that he would not receive a subsidy payment but would not be penalized in any other way. Under the old, as well as the new regulation, if the aggregate amount paid by a packer fell below the minimum permissible cost (\$1,728.08) deductions would be made from his subsidy payment in the amount his actual cost was below the minimum permissible cost.

The rate of subsidy payments to cattle slaughterers from January 29, 1945 through June 30, 1945 by grades will be: Choice, \$2.00; Good, \$1.95; Medium, \$.90; and Common, Canner, Cutter, and bulls of Canner and Cutter grade, \$.50 per 100 pounds live weight. Subsidy payments are on the basis of the calculated equivalent of live weight slaughter, adjusted to equal the original weight. The rate of subsidy on calves is \$1.10 per 100 pounds for all grades. Certain cattle slaughterers who slaughter for the dressed beef trade, who do not prepare beef in canned or other processed form are eligible for a special subsidy equal to 80 cents per 100 pounds live weight slaughter. Under existing legislation the authority of the Defense Supplies Corporation to pay



subsidies to livestock slaughterers expires on June 30, 1945. If authority is granted to pay subsidies after that date, the subsidy rate for Choice grade cattle will be \$1.50 per 100 pounds. The subsidy rates for all other grades of cattle and for calves will be unchanged.

### Effect On Cattle Prices and Marketings

Under the new price set-up, cattle prices may average about the same in the first half of 1945 as in the first half of 1944, when cattle costs averaged within the initially established stabilization range. During this period slaughter probably will be moderately larger than a year earlier, but demand for beef probably will continue to exceed supplies at ceiling prices. The armed forces require larger quantities of steer and heifer beef than a year ago and their requirement for canned beef products is very large. The ceiling of \$18.00 at Chicago, is above the top price paid for cattle at that market during the first 6 months of 1944.

The wholesale ceilings on beef by grades are not changed and to the extent that these ceilings determine the maximum prices that can be paid for live cattle the situation in 1945 will be the same as in 1944. However, the increase of \$1.00 per 100 pounds in the subsidy for Choice cattle and 50 cents in that for Good grade cattle would enable packers to pay more for such cattle in 1945 and sell beef at the same price as in 1944.

Prices may average higher in the last half of 1945 than a year earlier, if marketings are not materially larger than in the same period of 1944. Higher average prices for all cattle in the last half of 1945 would result by reducing prices for high-grade cattle, thereby permitting higher prices for the lower grades. The over-all ceiling of \$17.50 after June would hold the top price for cattle below that paid during the last 6 months of 1944. The top for all months in 1944 after June was above \$17.50. The top each week from early November to mid-December 1944 was \$18.50.

The reduction in the ceiling after June this year probably will result in a larger-than-usual proportion of the cattle fed during the winter and spring being marketed before midyear and may discourage the feeding of cattle to Choice and Prime grades for market during the last half of the year.

### RECENT DEVELOPMENTS

#### December Cattle and Calf Slaughter Seasonally Reduced; Prices Little Changed in Late December and Early January

Slaughter of cattle under Federal inspection in December was 1,274,746 head compared with 1,335,737 in November. In comparable plants it was 6 percent smaller than in November and was about the same as in December 1943.

Federally inspected slaughter of calves in December totaled 668,766 head, 205,153 head less than in November. Excluding slaughter in war-duration establishments, it was 24 percent below November and was the smallest for any month since July 1944, but was 21 percent higher than in December a year earlier and was the largest for any December on record.

The average live weight of cattle slaughtered under Federal inspection in December fell 37 pounds below the average for December 1943, and 45 pounds below the December average for 1938-41. Cattle dressing yields in December continued low because of the continuing large percentage of cows in the total slaughter supply. The average dressing yield in December was 50 percent compared with 52 a year earlier, and 53, the average for 1938-41.

Table 6.- Average live weight and dressing percentage of cattle slaughter under Federal inspection, by months, average 1938-41 and 1942-44

Month	Average live weight				Dressing percentage			
	Average	1942	1943	1944	Average	1942	1943	1944
	1938-41				1938-41			
	Pounds	Pounds	Pounds	Pounds	Percent	Percent	Percent	Percent
Jan.	948.4	977.9	969.7	969.2	53.4	54.2	54.4	52.2
Feb.	946.3	977.1	981.4	979.1	54.2	54.6	54.9	53.5
Mar.	947.5	970.0	980.1	983.9	54.4	55.4	55.2	54.2
Apr.	946.3	974.0	980.1	972.2	55.0	55.7	56.0	54.6
May	941.0	970.7	986.6	952.6	55.2	56.2	56.4	54.6
June	936.3	959.7	972.1	924.7	55.0	55.9	56.7	53.1
July	937.3	957.5	969.8	900.2	54.5	55.3	54.9	51.5
Aug.	934.1	936.5	943.7	891.6	54.1	54.0	53.5	50.7
Sept.	934.7	928.7	935.7	889.4	53.8	53.4	52.1	50.4
Oct.	936.3	921.5	921.8	882.3	53.0	52.0	51.0	49.7
Nov.	942.0	932.4	919.6	887.7	52.8	51.5	50.6	49.2
Dec.	954.8	956.0	947.5	910.3	53.3	52.9	51.7	50.1
Year	941.8	953.5	954.8	924.4	54.0	54.2	53.6	51.9

Compiled from reports of WFA

Prices of better grade steers at Chicago broke sharply in early December from the highest levels for the war period reached in the late summer and early fall. However, prices remained relatively unchanged at this lower level from mid-December to mid-January. The average price for all Corn Belt steers at Chicago was \$14.88 for the week ended December 16, and was \$14.48 for the week ended January 13. In mid-January 1944 the average price was \$14.54.

Because of the strong demand for Good grade beef and because Good grade cow beef is not subject to the Army set-aside, prices of Good grade cows were at higher levels than prices of Medium grade steers throughout the last 5 months of 1944. Prices for high grade cows are now at the highest level on record both absolutely and in relation to prices for steers. Prices of Good cows continued to advance during all of 1944 despite large marketings in the late summer and fall. The average price for cows of this grade at Chicago during the week ended January 13 was \$13.70 compared with \$14.02 a month earlier and \$12.90 a year earlier. While prices of Good grade cows in mid-January were materially higher than a year earlier, prices of Canner cows were only slightly higher. Prices of this grade at Chicago averaged \$6.75 for the week ended January 13, compared with \$6.20 a month earlier and \$6.35 a year earlier.

The average price for all feeder and stocker steers sold at Kansas City for the week ended January 12 was \$12.20 compared with \$11.63 a month earlier and \$11.49 a year earlier.



December Sheep and Lamb Slaughter  
Smaller than Year Earlier;  
Prices Rise Seasonally

Slaughter of sheep and lambs under Federal inspection declined from 2,012,588 head in November to 1,933,884 in December. It was 4 percent smaller than in November and 16 percent smaller than in December 1943 (in comparable plants).

Prices of slaughter lambs at Chicago increased in December and January as quality improved. The average price for all Good and Choice slaughter lambs at Chicago in mid-January was \$15.49 compared with \$14.70 a month earlier and \$15.36 a year earlier. In mid-January prices of Good and Choice feeding lambs at Omaha averaged around 25 cents higher than both a month and a year earlier.

Prices of ewes rose in late December and early January. The average price of Good and Choice ewes at Chicago during the week ended January 13 was \$7.66 compared with \$6.39 a month earlier and \$7.70 a year earlier.

December Hog Slaughter Less Than Year  
Earlier; Prices Near Ceilings

Hog slaughter under Federal inspection for December totaled 5,662,719 head, an increase of 404,525 head, 7 percent from November and was one of the smallest seasonal increase on record. While slaughter was the highest for any month since June 1944, it was 26 percent lower than in December 1943.

Prices of butcher hogs at Chicago in mid-January were higher than a month earlier and were near the ceiling of \$14.75 for most grades and weights. Prices of most sows were at the \$14.00 ceiling. At this time in 1944, prices of butcher hogs of support weights were at the support level of \$13.75. Sow prices in mid-January were at least \$2.00 per 100 pounds above those of a year earlier.

WFA Announces Extension of  
Support Price for Hogs

The War Food Administration on January 9 appealed to hog producers to increase the number of sows being kept for spring farrowing to meet the production goal set for spring pigs. The goal of 9.6 million sows to farrow in the spring of 1945 would require an increase of 11 percent in the number of sows to farrow over the number indicated in December from an analysis of farmers reported intentions. The December intentions report indicated that 8.5 million sows would farrow and if the number of pigs saved was equal to the average for 1933-42, the spring crop would total 52 million. Achievement of the farrowing goal would result in a pig crop of about 58.3 million head.

On January 9, WFA announced an extension to March 31, 1946 of the \$12.50 support price, Chicago basis, for Good and Choice butcher hogs weighing 200 to 270 pounds.

WFA Increases Beef Set-Aside

Since January 7, 1945, slaughterers subject to the beef set-aside order have been required to hold temporarily all of their production of steer and heifer beef grading above Utility until 60 percent has been selected for



purchase by war procurement agencies. This will assure that Government agencies will receive the full 60 percent of the production of the three top grades from all federally inspected slaughtering plants as well as from slaughtering plants killing over 51 head of "army style" cattle a week. Under the previous order a slaughterer may have reserved 60 percent of his production of "army style" cattle and some of these carcasses were rejected by authorized purchasers.

WEA also announced, effective January 7, 1945, that 50 percent of the Utility grade beef from steers, heifers, and cows is to be reserved for Government purchase. Formerly 60 percent of Utility grade beef from heifer and steer carcasses only was subject to the set-aside. Utility grade beef will be largely used in canned meat products.

These revisions to the beef reservation order are contained in Amendment 18 to War Food Order 75.2 and were issued January 2, 1945.

Table 7.- Summary of the Beef Set-Aside Order (War Food Order 75-2)

Class of slaughterer	Carcass class and grade	Weight range of carcasses to be set aside	Percentage of weekly production to be set aside	
			For selection	For purchase <sup>1/</sup>
			Percent	Percent
Federally inspected, or Class 1	(Choice)	350-1,100	100	60
	:Steer (Good)	350-1,100	100	60
	: (Commercial)	350-1,100	100	60
	(Choice)	300-650	100	60
	:Heifer (Good)	300-650	100	60
	: (Commercial)	300-650	100	60
	:Steer, (Utility)	All weights	0	50
	:heifer, (Canner and)		0	80
	:and cow (Cutter)	All weights	0	80
Non-federally inspected slaughterers who kill over 51 "army style" cattle weekly, or Class 2	(Choice)	350-1,100	100	60
	:Steer (Good)	350-1,100	100	60
	: (Commercial)	350-1,100	100	60
	(Choice)	300-650	100	60
	:Heifer (Good)	300-650	100	60
	: (Commercial)	300-650	100	60

<sup>1/</sup> Ninety percent of the steer and heifer beef purchased must be boned; Utility, Canner, and Cutter beef will largely be set aside as canned or processed product. Kosher slaughterers in the northern portion of Zone 9 (North Atlantic seaboard) are required to set aside 45 percent of their weekly output of Choice, Good, and Commercial steer and heifer beef of the designated weight ranges.

Lard Set-Aside Reinstated;  
Pork Set-Aside Increased

Effective January 21 all federally inspected meat packers were required to set aside lard, for purchase by war agencies, at a rate of 7-1/2 pounds for each 100 pounds of hog slaughtered per week. On the average this will be approximately 60 percent of the lard output from such packers and, as non-federally inspected packers are not affected by the order, about 40 percent of the estimated production of all lard. The set-aside order was issued as Amendment 6 to War Food Order 75-3, dated January 18, 1945. From February 11, 1943 to August 1, 1943 federally inspected packers were required to deliver 50 percent of their output of lard and rendered pork fat to government agencies. From August 1, 1943 to January 21, 1945 there was no set aside on these products.

The pork set-aside order was also amended, effective January 21, to increase the quantity of loins to be set aside for government purchase. Packers operating under Federal inspection are now required to reserve for purchase each week a quantity of loins equal to 4-1/2 percent of the live-weight slaughter instead of 3-1/2 percent as previously required. This additional set-aside requirement is contained in Amendment 5 to WFO 75-3 and was issued January 18, 1945.

THE WOOL SITUATION

Prices to Wool Growers in 1945 to  
Continue at About 1943 and 1944 Level

Prices to domestic wool growers averaged 40.6 cents a pound in 1944 (unweighted 12-month average) compared with 41 cents in 1943. Preliminary figures indicate, however, that on a weighted average basis, the 1944 farm price for wool was slightly in excess of the 1943 figure of 41.6 cents per pound. As the Commodity Credit Corporation will continue to purchase the entire domestic production of wool at ceiling prices in 1945, prices to growers will be about the same as in 1944 except for changes resulting from variations in quality and shrinkage. The 1944 price to growers was 71 percent higher than the 1935-39 average price. This compares with an increase of 81 percent over the 1935-39 (calendar years) average for farm products in general. Thus far during the war period (1940-44), however, wool prices have averaged considerably higher in relation to prices from 1935-39 than have farm prices in general. Wool prices increased much more rapidly than prices of all farm products combined during the early war years, while the latter made greater gains in 1943 and 1944. The farm price of wool in 1940 was 20 percent above the 1935-39 average, while prices of all farm products averaged 7 percent below pre-war. By 1942 wool prices were 66 percent above the pre-war average and all farm products 48 percent above. Wool prices have not changed materially since ceilings were established in December 1941. But the general level of farm product prices continued to increase and in 1943 and 1944 averaged 79 and 82 percent, respectively, above 1935-39. For the 5 years 1940-44, wool prices averaged 55 percent above pre-war (1935-39), while prices of all farm products combined averaged 43 percent above.



In view of the large accumulation of wool stocks in the United States and foreign countries resulting from war conditions, it is doubtful that wool prices would have advanced much after the early part of 1942 even if ceilings had not been established, and it is unlikely that the early gains would have been maintained in 1943 and 1944 without Government support.

Total purchases of wool by Commodity Credit Corporation from the beginning of the purchase program (beginning in April 1943) to December 31, 1944, amounted to 577 million pounds. Sales during the same period totaled 279 million pounds, and stocks on December 31, 1944, amounted to 298 million pounds. As of that date, sales equaled 48 percent of total purchases. Sales of 1943 wool approximate 55 percent of purchases, and sales of 1944 wool approximate 42 percent of purchases.

Table 8.- Prices received by farmers for wool and selected farm products, 1939-44

(Index numbers 1935-39 = 100)				
Year	: Wool	: Lambs	: All	: All farm
			: livestock	: products
1939	: 96	100	93	88
1940	: 120	104	96	93
1941	: 148	122	120	115
1942	: 166	148	148	148
1943	: 172	168	172	179
1944	: 171	164	166	182
Average 1940-44	: 155	141	140	143

Little Change in Wool Consumption  
Now Anticipated for 1945

United States mill consumption of apparel wool showed relatively little change in November compared with October, but was 5 percent higher than in November 1943. Consumption of apparel wool from January 1 through November 25, 1944 totaled 913 million pounds (grease basis) and the total for the year is expected to be a little smaller than the 1,061 million pounds consumed in 1943. The 1944 total included only about 320 million pounds of domestic wool compared with a 1944 domestic production of about 420 million pounds. Consumption of domestic wool probably will increase materially in the first half of 1945 as mills will be working chiefly on military fabrics which specify the use of a large percentage of domestic wool. Total consumption of domestic and foreign wool is not expected to increase much because of the continued scarcity of factory workers, and for 1945, as a whole, it now seems likely to be maintained about at the 1944 level. With the greater part of fabric output for the first half of the year required for military use, a high rate of fabric production will be needed after military orders drop in order to replenish inventories of civilian goods.



## WORLD WOOL SUPPLIES

Upward Trend in World Stocks  
To Continue in Current Season

Although data for many countries are lacking, it is estimated that the world carry-over of wool at the beginning of the 1944-45 season (about July 1) was much larger than in any previous year and was about equal to a full normal year's supply (production plus normal carry-over). Of the Northern Hemisphere importing countries, Continental Europe and Japan presumably are without any appreciable stocks of wool. But in the United States, the United Kingdom, and Canada a high rate of consumption makes it necessary to carry larger-than-usual inventories of raw wool, and consequently reserves have been built up. As a result, total stocks of raw wool in the Northern Hemisphere probably are much larger than in normal pre-war years, despite depleted stocks in the Axis areas and areas recently under Axis control.

In Southern Hemisphere exporting countries, which normally ship a large part of their production to Continental Europe and Japan, stocks have accumulated at a rapid rate during the war years, despite larger shipments to the United States. The carry-over in 5 principal exporting countries -- Australia, New Zealand, South Africa, Argentina, and Uruguay -- at the beginning of the 1944-45 season totaled approximately 2.5 billion pounds, (grease basis) compared with 1.8 billion pounds a year earlier, and a 1934-38 average carry-over of about 200 million pounds. The 1944 carry-over exceeded a full year's production in those countries, and was materially larger than in any previous year. The greater part of the Southern Hemisphere stocks (1.9 billion pounds) was held in the British Empire countries. Stocks in Argentina and Uruguay on October 1, 1944, (the beginning of the 1944-45 season in those countries) totaled about 600 million pounds.

The liberation of the textile areas in France and Belgium, and reports that damage in these areas has been less severe than had been anticipated, affords some hope for the resumption of wool textile activity in those countries in the near future. As they have had little or no access to foreign wool supplies during four years of occupation, it will require a considerable quantity of raw wool to provide manufacturers and distributors with working stocks. Reports from England indicate that representatives of the French and Belgian industries have already opened negotiations with the British Wool Control to obtain such supplies. Delivery of the wool, however, will depend upon the availability of shipping and other transportation facilities. If developments in the European war are such as to permit delivery of a considerable amount of wool to these countries from the Southern Hemisphere during the first half of 1945, the rapid accumulation of stocks in the Southern Hemisphere countries might be checked somewhat. Such a shift, however, would not materially change the world stocks situation. With world consumption prospects as now indicated, a further accumulation of world stocks is in prospect for the current season and the carry-over on July 1, 1945 will be considerably larger than on July 1, 1944.

World Wool Production Appears  
To Have Turned Downward

World production of wool, which has been maintained at a record high level during the war years, now appears to have turned downward. Production in 1944-45, on the basis of estimates for the principal producing countries,

may be about 5 or 6 percent smaller than the 1943-44 production -- now estimated at 4,080 million pounds of grease wool -- and about 6 or possibly 8 percent below the 1941-42 peak production of 4,240 million pounds. The 1944-45 production, however, remains well above the 1934-38 average production of 3.7 billion pounds. Production in surplus-producing countries of the Southern Hemisphere in 1944-45 originally was estimated at 2,350 million pounds, compared with 2,430 million pounds last season, but this estimate probably will be revised downward when the full effect of the Australian drought is known.

The preliminary estimate of Australian production, reported in November, was 1,037 million pounds. This is 9 percent smaller than the 1943-44 production and the smallest output since 1938-39. A report of the Australian News and Information Bureau, released in mid-January indicates, however, that the effect of the drought on wool production may be much more serious than was previously expected and that shorn wool production in 1944-45 now seems likely to be 15 to 20 percent smaller than in the previous season. Even if production of pulled wool is increased as a result of heavy sheep slaughter and the salvage of pelts from sheep which have died from lack of feed, the total production seems likely to fall below a billion pounds for the first time during the war period. In South Africa and New Zealand production will be only slightly smaller than the peak production of the last few years (see Table 9). Production in Argentina and Uruguay for 1944-45 is now indicated to be slightly smaller than in 1943-44. Until the current season, the trend in production in South American countries had continued upward, although stocks have accumulated rapidly in those countries during the war years. Production in the Northern Hemisphere for 1944 cannot be accurately indicated at this time as data for many of the European countries are lacking, or are at best only rough approximations. In the United States, production in 1944 was indicated to be about 8 percent smaller than the 1942 record production but was about equal to the 1934-38 average. Production in the United Kingdom has declined about 20 percent during the war years, largely because of the use of former grazing lands for crop production.

In view of the continuation of the drought in Australia, where about one-fourth of the world's wool is produced, and the indicated downward trend in some other countries, a further decline in world output in 1945 now appears likely, but the full extent cannot be forecast now. Also it is difficult to say how long world production will continue to decline. Although the rapid accumulation of wool stocks is causing considerable apprehension in producing countries as to the course of wool prices in the post-war period, production in British Empire countries, Argentina, and the United States is being supported, to some extent, by Government purchase or loan programs. In addition to purchasing the entire wool output of Australia, New Zealand, and South Africa, the British Government is reported to have entered into an agreement in 1944 to take the entire exportable surplus of meat of Australia and New Zealand for the next four years. This may also give some support to wool production in those countries. In many regions of the Southern Hemisphere, soil, climate, and transportation conditions are such that there is little alternative to sheep and wool production, and these conditions probably would limit the extent of the liquidation of flocks even if wool prices were not being supported.



Table 9.- Wool, grease basis: Pre-war (1934-38) production and apparent consumption; and 1941-44 production, specified areas.

Country or area	: Apparent:		Production 2/			
	: consumption 1/:		1941	1942	1943 3/	1944 3/
	1934-38:	1934-38:				
	average:	average:				
	Million	Million	Million	Million	Million	Million
	pounds	pounds	pounds	pounds	pounds	pounds
Southern Hemisphere surplus-producing countries:						
Australia .....	98.0	995.3	1,167.2	1,147.8	1,144.0	4/1,037.0
New Zealand .....	7.0	299.3	345.0	340.0	325.0	340.0
South Africa .....	---	238.6	260.0	260.0	250.0	240.0
Argentina .....	59.0	370.4	494.0	518.0	520.0	500.0
Uruguay .....	4.0	118.0	117.0	124.0	136.0	130.0
Other .....	52.0	---	---	---	---	---
Total Southern Hemisphere ....	220.0	2,122.8	2,490.1	2,494.6	2,479.9	2,353.2
Northern Hemisphere deficit-producing countries:						
Continental Europe:						
France .....	424.0	37.9	30.0	28.2	28.2	---
Belgium .....	122.0	0.8	0.8	0.9	0.9	---
Germany and Austria .....	342.0	36.1	50.0	53.0	56.0	---
Italy .....	124.0	37.7	41.5	42.0	40.0	---
Other (excluding Russia) :	394.0	288.5	277.8	273.6	264.4	---
Total .....	1,406.0	401.0	400.1	397.7	389.5	---
United Kingdom and Ireland :	664.0	125.2	108.2	104.0	99.3	99.7
United States .....	650.0	425.1	456.4	459.1	448.0	5/420.0
U. S. S. R. ....	270.0	210.0	340.0	270.0	230.0	---
Japan .....	204.0	---	---	---	---	---
Total Northern Hemisphere 6/ ..	3,460.0	1,600.0	1,750.0	1,660.0	1,600.0	---
Estimated world total .....	3,680.0	3,720.0	4,240.0	4,150.0	4,080.0	---

1/ Based on estimates of apparent supplies in "World Consumption of Wool, 1938," Imperial Economic Committee, London. Estimates are in actual weight, but consist mostly of greasy wool. The estimates take no account of change in carry-over during the period.

2/ Estimates of the Office of Foreign Agricultural Relations. The estimates are compiled from official sources or reliable commercial sources or are made on the basis of exports or sheep numbers and other available information. The estimates represent wool shorn mostly in the spring in the Northern Hemisphere and that shorn in the season beginning July 1 or October 1 of the same calendar year in the Southern Hemisphere. Pulled wool is included for most countries at its grease equivalent.

3/ Preliminary.

4/ Later reports indicate that Australian production in 1944 will be smaller than originally estimated, possibly totalling 950-1,000 million pounds.

5/ Indicated.

6/ Includes estimates for countries not listed.



World Wool Consumption Remains at Low Level;  
Increase Contingent upon Restoration of  
European Wool Textile Industry

For the fifth successive season world consumption of wool in 1944-45 will be materially smaller than world production. In the United States, the United Kingdom, and other allied countries, which have access to the surplus wool-producing areas of the Southern Hemisphere, consumption is being maintained at a high level as a result of large military requirements and increased consumer demand. Mill consumption of apparel and carpet wool in the United States totaled 1.1 billion pounds (grease basis) in the 12 months ended June 30, 1944, and little change in consumption is indicated for 1944-45. This compares with the 1934-38 average mill consumption of about 700 million pounds. Consumption has also increased in Canada and in some of the Southern Hemisphere countries. In the United Kingdom, consumption increased sharply in the early part of the war, but the increase has not been maintained because of the shift of many workers from the textile industry to more critical war industries. In fact, consumption in all of the allied countries has been limited by lack of manpower and such increase as has occurred in these countries has not been sufficient to offset the decline in consumption in European countries and Japan. In the latter countries, which have been largely deprived of wool imports during the war years by the blockade, consumption is now limited to the relatively small quantities produced locally. Continental European countries (excluding Russia) produce only about 400 million pounds of wool a year, but from 1934 to 1938 they consumed 1.4 billion pounds a year. This was made possible by the importation of about a billion pounds a year, chiefly from Southern Hemisphere countries. Japan consumed another 200 million pounds of Southern Hemisphere wool in recent pre-war years.

Mill consumption of wool for civilian use in the United States probably will increase when military orders drop, but it is likely that the peak in total consumption has been reached. Some increase in consumption in the United Kingdom is anticipated as soon as additional manpower is available. Civilian needs there undoubtedly will be large as a result of the strict rationing of clothing and household goods during the war years. In addition, the United Kingdom will seek to regain the large export market for wool manufactures held prior to the war. An increase in world consumption of sufficient magnitude to check the accumulation of world wool stocks is, however, largely contingent upon the restoration of the wool textile industry in Continental European countries, which accounted for approximately 40 percent of the world's wool consumption in the pre-war years 1934-38. The importance of the Continental European market to Southern Hemisphere wool-exporting countries is clearly indicated in the combined export statistics for Australia, New Zealand, South Africa, Argentina, and Uruguay, recently published by the Office of Foreign Agricultural Relations (see Table 10). These show that yearly exports to Continental Europe averaged 771 million pounds (actual weight) in 1934-38. In addition, a considerable quantity of wool was shipped from the Southern Hemisphere to the United Kingdom and reexported to Continental Europe. After the invasion of France and Belgium, and the successful blockade of the Continent, annual shipments to the European Continent dropped to 15-25 million pounds.

Table 10.- Wool: Exports from five Southern Hemisphere countries to specified destinations, average 1934-38, and annually 1939-43 <sup>1/</sup>

Season <sup>2/</sup>	:United :States : <sup>3/</sup>	: United :Kingdom :	: Contin- : ental : Europe	: Japan	: Total to : specified : destinations	: Total : to all : countries
	:Million :pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1934-38	: 113	<u>4/</u> 641	771	189	1,714	1,741
1939	: 242	827	504	96	1,669	1,709
1940	: 786	363	25	98	1,272	1,370
1941	: 1,039	424	22	13	1,498	1,620
1942	: 665	344	15	0	1,024	1,179
1943	: 618	445	17	0	1,080	1,165

- <sup>1/</sup> The 5 Southern Hemisphere exporting countries are Australia, New Zealand, British South Africa, Argentina, and Uruguay. These countries normally supply about 85 percent of the wool entering international trade. Totals are in actual weight but are mostly greasy wool.
- <sup>2/</sup> Season begins July 1 in Australia, New Zealand, and South Africa; October 1 in Argentina and Uruguay.
- <sup>3/</sup> Includes shipments for stockpile during the war period.
- <sup>4/</sup> About one-fourth of United Kingdom wool imports in pre-war years was re-exported to Continental European countries.

Compiled from official sources in the Office of Foreign Agricultural Relations. Exports from individual countries are not shown as data for British Empire countries may not be shown separately for purpose of security.



## Prices, per pound of wool and other textile fibers, United States, 1941-44

Item	Annual average : 1943 :							
	1944							
	1942	1943	1944	Dec.	Oct.	Nov.	Dec.	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Prices received by farmers, grease basis, 15th of month	40.1	41.6	1/40.6	40.1	40.3	40.4	40.4	
Boston market:								
Territory, scoured basis								
64s, 70s, 80s staple combing	119.1	117.8	119.0	117.8	119.0	119.0	119.0	
56s combing	102.6	104.2	104.5	104.5	104.5	104.5	104.5	
Bright fleece, greasy:								
64s, 70s, 80s delaine	47.2	46.9	47.0	47.0	47.0	47.0	47.0	
56s combing	51.8	54.2	54.5	54.5	54.5	54.5	54.5	
Foreign wool, in bond:								
Scoured basis 2/								
Australian 64s, 70s good top-								
making 3/	75.4	75.9	72.1	74.5	72.0	73.4	73.5	
Cape, short combing	72.8	72.5	72.5	72.5	72.5	72.5	72.5	
Grease basis:								
Montevideo 60-64s	43.0	41.4	39.4	40.7	38.2	39.2	39.2	
Montevideo 1s (56s)	42.5	41.4	40.7	40.7	39.1	40.5	40.5	
Other textile fibers:								
Cotton, 15/16-inch Middling 4/	19.3	20.6	21.2	19.7	21.6	21.4	21.6	
Rayon staple fiber 5/								
Viscose 1-1/2 denier	25.0	24.4	24.8	24.0	25.0	25.0	25.0	
Acetate 5 denier	43.0	43.0	41.9	43.0	40.0	38.0	38.0	

1/ Unweighted average. 2/ New series. These types are believed to be more representative of the foreign wool now being purchased by U. S. buyers than the types previously quoted. 3/ Quotations from the W. F. A. 4/ Average at 10 markets.

5/ F.o.b. producing plants, Bureau of Labor Statistics.

Domestic wool prices are from the War Food Administration; foreign wool prices are from the Boston Commercial Bulletin, except as otherwise noted, and are before payment of duty.

## Wool: Mill consumption in the United States, 1942-44

Item	Total		Weekly average					
	1942	1943	Jan.-Nov.		Nov.	Oct.	Nov.	
	1942	1943	1943 1/	1944 2/	1943 3/	1944 3/	1944 3/	
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Grease basis 4/:	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Apparel wool								
Domestic	540,748	430,456	8,606	6,081	5,472	6,691	6,246	
Foreign	536,536	630,968	12,076	13,339	13,251	13,329	13,510	
Total	1,077,284	1,061,424	20,682	19,420	18,723	20,020	19,756	
Carpet wool	60,840	43,732	835	1,163	948	1,257	1,421	
Scoured basis:								
Apparel wool								
Domestic	244,504	203,580	4,065	2,871	2,575	3,256	3,077	
Foreign	326,976	388,284	7,437	8,247	8,121	8,182	8,252	
Total	571,480	591,864	11,502	11,118	10,696	11,438	11,329	
Carpet wool	43,940	32,240	616	869	705	925	1,048	

1/ 48-week period ended November 27. 2/ 47-week period ended November 25.

3/ 4-week period. 4/ Total of shorn and pulled wool. Pulled wool is in condition received from pullers and is partly washed.

Compiled from reports of the Bureau of the Census.



Livestock: Marketings and slaughter statistics, by species,  
December 1944, with comparisons

December 1944, with comparisons									
Item	Unit	January-November			1943		1944		
		1942	1943	1944	Dec.	Nov.	Dec.		
<u>Cattle and calves -</u>									
Number slaughtered under									
Federal inspection:									
Steers .....	Thous.	5,612	5,222	5,468	515	366		391	
Cows and heifers .....	"	5,310	4,870	6,568	646	896		825	
All cattle .....	"	11,365	10,526	12,686	1,201	1,336		1,275	
Percentage cows and									
heifers are of total									
cattle .....	Pct.	46.7	46.3	51.8	53.8	67.1		64.7	
Calves .....	Thous.	5,284	4,680	7,101	529	874		669	
Average live weight:									
Cattle .....	Lb.	953	956	926	947	888		910	
Calves .....	"	208	207	217	212	245		224	
Total dressed weight:									
Cattle .....	Mil.lb.	5,853	5,384	6,077	585	580		577	
Calves .....	" "	614	537	845	61	115		81	
Shipments of feeder cattle									
and calves to eight Corn									
Belt States 1/ .....	Thous.	2,341	2,200	2,109	162	376		170	
<u>Hogs -</u>									
Number slaughtered under									
Federal inspection: .....	"	47,119	55,865	63,354	7,567	5,258		5,663	
Average live weight .....	Lb.	245	256	245	244	238		240	
Percentage packing sows									
are of all purchases at									
seven markets .....	Pct.	13	16	11	9	9		6	
Total production under									
Federal inspection:									
Pork .....	Mil.lb.	6,609	8,274	8,671	1,034	729		785	
Lard 2/ .....	" "	1,506	1,820	2,195	260	153		172	
Average yield per hog:									
Pork .....	Lb.	140.6	148.4	137.2	136.9	138.9		139.0	
Lard 2/ .....	"	32.0	32.6	34.7	34.4	29.2		30.4	
Storage stocks end of									
month:									
Pork .....	Mil.lb.	---	---	---	514	318 3/		373	
Lard 2/ .....	" "	---	---	---	162	91 3/		100	
<u>Sheep and lambs -</u>									
Number slaughtered under									
Federal inspection .....	Thous.	19,450	21,105	19,942	2,258	2,013		1,934	
Average live weight .....	Lb.	89	91	89	92	91		94	
Total dressed weight .....	Mil.lb.	793	864	806	94	81		81	
Feeder sheep and lamb									
shipments to eight Corn									
Belt States 1/ .....	Thous.	3,778	4,129	3,188	141	420		169	
<u>Total dressed weight of</u>									
<u>livestock slaughtered under</u>									
Federal inspection .....	Mil.lb.	15,934	17,556	19,405	2,130	1,715		1,761	

1/ Total shipments direct and from public stockyards to Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Nebraska. 2/ Including rendered pork fat. 3/ Preliminary: 1944 data for pork stocks not entirely comparable with earlier figures.

Livestock prices per 100 pounds (except where noted), by species,  
December 1944, with comparisons

Item	1944	December			1944		
	annual	1932-41	1942	1943	Oct.	Nov.	Dec.
	average	average					
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
<u>Cattle and calves -</u>							
Beef steers sold out of							
first hands at Chicago:							
Choice and Prime .....	17.05	10.92	16.09	16.21	17.90	17.95	17.27
Good .....	15.73	9.32	14.90	14.89	16.56	16.27	15.62
Medium .....	13.87	7.73	13.30	12.78	13.61	13.56	13.49
Common .....	11.25	6.26	10.87	10.71	10.48	10.40	10.86
All grades .....	15.44	9.12	14.85	14.89	15.95	15.78	14.87
Good grade cows at Chicago...	13.21	5.86	12.63	11.50	13.62	13.72	13.81
Vealers: Good and Choice							
at Chicago .....	14.86	8.86	14.56	14.15	15.38	15.02	15.00
Stocker and feeder steers							
at Kansas City .....	11.78	6.69	12.24	11.29	11.50	11.96	11.49
Average price paid by							
packers:							
All cattle .....	11.08	6.36	11.42	11.02	9.63	9.59	10.00
Steers .....	---	1/	13.87	13.86	12.63	12.73	12.68
Calves .....	11.59	6.82	11.97	11.21	10.96	10.88	10.88
<u>Hogs</u>							
Average market price at							
Chicago:							
Barrows and gilts .....	13.77	1/	14.03	13.55	14.62	14.18	14.23
Sows .....	12.75	1/	13.84	12.37	13.95	13.90	13.88
All purchases .....	13.57	6.92	14.01	13.35	14.49	14.14	14.19
Average price paid by							
packers .....	13.43	6.83	13.86	13.14	14.34	14.01	13.93
Average price No. 3 Yellow							
corn at Chicago 2/ .....	114.6	63.0	89.43/	115.5	114.2	109.3	114.1
Hog-corn price ratio at							
Chicago 4/ .....	11.8	11.4	15.7	11.6	12.7	12.9	12.4
<u>Sheep and lambs -</u>							
Wooled lambs, Good and							
Choice at Chicago .....	---	8.87	15.47	14.55	14.41	14.44	14.69
Feeding lambs, Good and							
Choice at Omaha .....	---	7.74	13.12	11.65	12.36	12.49	12.50
Ewes, Good and Choice at							
Chicago .....	---	3.95	7.69	6.71	5.83	5.86	6.56
Average price paid by pack-							
ers for sheep and lambs ...	12.08	8.16	12.61	11.67	10.48	10.19	10.80
Index retail meat prices 5/	111.7	78.5	114.5	112.6	111.3	111.5	111.7
Index income of industrial							
workers 6/ .....	---	83	218	248	240	239	---

1/ Not available. 2/ Cents per bushel. 3/ Ceiling price. 4/ Number of bushels of corn equivalent in value of 100 pounds of live hogs. 5/ Bureau of Labor Statistics, converted to 1924-29 base. 6/ Bureau of Agricultural Economics 1924-29 = 100.

